

Local Government and Private Fleet Workshop

Argonne National Laboratory

August 1, 2000

Attendees primarily included representatives from states, city governments, and Clean Cities coalitions located in the Illinois, Wisconsin, and Indiana areas.

Options Presented

- Issue no requirements
- Issue a rule with requirements solely based upon EPA section 507(g) - AFV acquisitions
- Issue a rule based on 507(g), but with an alternative compliance path which allows for credit toward requirements by either acquiring AFVs or using alternative fuel (Fleet Rewards Program)
- Issue a Replacement Fuel Rule requiring covered private and local government fleets to have certain percentages of their light-duty fuel use be replacement fuels, which include both alternative fuels and the non-petroleum portions of blended fuels
- Extend eligibility for generating credits from flexible programs (Fleet Rewards or Replacement Fuel) beyond covered private and local fleets, such as to State fleets, smaller fleets, or non-MSA-located fleets.
- Issue requirements for Transit Bus Fleets

Summary of Major Discussion Points

- DOE should do something – vulnerability on imported oil is an important issue to address. A message needs to be sent on this. In addition:
 - Many organizations are sitting back and waiting until DOE requires action
 - Even organizations that have begun efforts voluntarily have often done so to prepare for requirements
- There are a number of questions associated with the overall programmatic goals (replacing 10% of U.S. motor fuel consumption by 2000, 30% by 2010), both concerning achievability and appropriate levels.
- Within the options presented, there seemed to be general agreement that whatever mechanism is selected needs to be flexible and focus on fuel use
 - There seemed to be slightly more support for a Fleet Rewards-type concept, certainly more than a straight 507(g) AFV acquisition program
 - There was also a great deal of interest in and questions on the Replacement Fuel Program option
 - Whichever option is selected, provide a gradual phase-in to allow infrastructure to develop
- There were questions concerning whether requirements for private fleets could be broken apart from requirements for local government fleets, since their situations are very different.
- There is still a great deal of general concern about refueling infrastructure - both its

current and future availability, and what it will really take to encourage the necessary investments. Some areas with relatively little refueling infrastructure were concerned about options focused on fuel use. Ethanol was singled out as a concern – there are many vehicles which could operate on it, but very few stations, and the fuel cost is very high. This is resulting in many fleets acquiring FFVs to meet requirements, but not using the fuel.

- Many fleets are moving away from central refueling, which may make fuel records difficult to obtain for fuel use-based programs. In addition, even for those fleets that may be centrally-fueled, often record are not kept on a vehicle-by-vehicle basis, and therefore it may be difficult to determine which fuel is used in a light-duty vehicle and which in a medium- or heavy-duty vehicle.
- There are still some vehicle availability issues (especially desired model type on specific fuel), as well as limited availability of some offered models (either in number, geography, or timing during the year).
- A few organizations (especially cities) indicated that they would not be expecting support for any mandates for their fleets, while others expressed significant concern that private fleets would fight any requirements (including through court challenges). Other representatives indicated that DOE should simply “get on with it”, and begin to get things underway. Organizations not supporting mandates indicated their desire for incentives rather than mandates. Despite the fact that no large bundle of funds will be available from DOE (which was made clear at the workshop), DOE’s assistance was sought for applying for other sources of funds (such as Congestion Mitigation Air Quality (CMAQ) funds, administered through the U.S. Department of Transportation and proposed through state DOTs). In addition, several organizations indicated that available incentives must be large enough to make them worth going after - small bundles of money simply aren’t worth the trouble.
- There was some interest in extending flexible options to other fleets, although there was also a general concern on this and the flexible options in general relating to the administrative burden on DOE and whether DOE would be able to obtain sufficient funding to properly implement programs.
- There was some interest in transit buses, especially given their success to date as a niche market for alternative fuels, but most acknowledged they probably weren’t the appropriate parties to provide detailed input.